A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any securities laws of any state, territory or possession of the United States ("state securities laws"), and may only be offered or sold, directly or indirectly, within the United States pursuant to the registration requirements of the 1933 Act and applicable state securities laws or an exemption therefrom. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America, its territories or possessions. See "Plan of Distribution".

***Information has been incorporated by reference into this short form prospectus from documents filed with securities commissions or similar authorities in Canada**. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Marret High Yield Strategies Fund at 200 King Street West, Suite 1902, Toronto, ON, M5H 3T4, (416) 214-5800, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

August 18, 2011

MARRET ASSET MANAGEMENT INC.

MARRET HIGH YIELD STRATEGIES FUND

Maximum $●
(Maximum ● Units)

This short form prospectus qualifies the distribution (the "**Offering**") of a maximum of ● units (the "**Offered Units**") of Marret High Yield Strategies Fund (the "**Fund**"), a closed-end investment fund established under the laws of the Province of Ontario.

The outstanding units of the Fund (the "**Units**") are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "MHY.UN". The closing price for the outstanding Units on the TSX on ●, 2011 was $● per Unit, and the net asset value per Unit as at ●, 2011 was $●. The manager and administrator of the Fund, Marret Asset Management Inc. (the **"Manager"**), will, on behalf of the Fund, apply to list the Offered Units distributed under this short form prospectus on the TSX. Listing of the Offered Units will be subject to the Fund fulfilling all of the listing requirements of the TSX.

Price: $● per Offered Unit

	Price to the Public(1)	Agents' Fee	Net Proceeds to the Fund(2)
Per Offered Unit	$●	$●	$●
Maximum Total Offering(3)	$●	$●	$●

Notes:

(1) The terms of the Offering were established through negotiation between the Agents (as defined herein) and the Manager on behalf of the Fund. The price per Offered Unit is equal to or exceeds the net asset value per Unit as at ●, 2011 plus the expected expenses of the Offering. See "Fees and Expenses – Expenses of the Offering" and "Plan of Distribution".

(2) Before deducting the expenses of the Offering, estimated to be $●, which, subject to a maximum of 1.5% of the gross proceeds of the Offering, together with the Agents' fee, will be paid by the Fund from the proceeds of the Offering.

(3) There is no minimum amount for the Offering. The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the date of Closing, to offer additional Units in an amount up to 15% of the Offered Units sold on the date of Closing on the same terms as set forth above solely to cover over-allotments, if any (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be $●, $● and $●, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the over-allocation position acquires such Units under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

	Maximum size of the Over-Allotment Option	**Exercise Period**	**Exercise Price**
Over-Allotment Option	●	30 days from the date of Closing	$●

To ensure that the Offering is non-dilutive to existing Unitholders, the price per Offered Unit is equal to or exceeds the net asset value per Unit as at ●, 2011 plus the expected expenses of the Offering. The performance fee in respect of Units issued pursuant to the Offering will only accrue and be payable in respect of distributions and net asset value growth occurring after the Closing. See "Plan of Distribution" and "Fees and Expenses – Performance Fees".

RBC Dominion Securities Inc., CIBC World Markets Inc., GMP Securities L.P., TD Securities Inc., BMO Nesbitt Burns Inc., HSBC Securities (Canada) Inc., National Bank Financial Inc., Scotia Capital Inc., Canaccord Genuity Corp., Macquarie Private Wealth Inc. and Raymond James Ltd. (collectively, the "**Agents**") as agents, conditionally offer the Offered Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the agency agreement between the Fund, the Manager and the Agents dated ●, 2011 (the "**Agency Agreement**") referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Agents by McCarthy Tétrault LLP.

The investment objectives of the Fund are to: (i) maximize total returns for holders of Units ("**Unitholders**"), consisting of both tax-advantaged distributions and capital appreciation, while reducing risk; and (ii) provide Unitholders with attractive monthly tax-advantaged cash distributions; by exposure to the Portfolio (as defined herein), which is focused primarily on High Yield Debt (as defined herein). **There is no assurance that the Fund will be able to achieve its investment objectives**. See "Description of the Business – Investment Objectives" and "Risk Factors".

The Fund is a party to a forward purchase and sale agreement (the "Forward Agreement") with the Bank of Nova Scotia (the "Counterparty"), a Canadian chartered bank and an affiliate of one of the Agents. Accordingly, the Fund may be considered to be a "connected issuer" of such Agent. Please refer to "Plan of Distribution" for more information.

Subscriptions for Offered Units will be received subject to rejection or allotment in whole or in part and the Fund reserves the right to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on ●, 2011 (the "**Closing**") or such later date as the Fund and the Agents may agree to in writing, but in any event not later than 90 days after a receipt for the final short form prospectus is issued, and that Offered Units will be available for delivery in book-entry only form through the facilities of CDS Clearing and Depository Services Inc. on the date of Closing. A purchaser of Offered Units will receive a customer confirmation from the registered dealer from or through which the Offered Units are purchased and will not have the right to receive physical certificates evidencing their ownership in the Offered Units.

The head and registered office of the Fund is located at 200 King Street West, Suite 1902, Toronto, ON, M5H 3T4.

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FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this short form prospectus may be forward-looking statements. The use of words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the Manager believes the expectations reflected in the forward-looking statements are reasonable, no assurance can be given that actual results will be consistent with these expectations and forward-looking statements. Potential subscribers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Fund and the Manager assume no obligation to update or revise them to reflect new events or circumstances except as may be required by applicable law.

In particular, this short form prospectus may contain forward-looking statements pertaining to distributions on the Units. The actual results could differ materially from those anticipated in these forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference and form an integral part of this short form prospectus:

(a) the annual information form of the Fund dated March 31, 2011, for the year ended December 31, 2010 (the "**AIF**");

(b) the annual financial statements of the Fund for the fiscal year ended December 31, 2010, together with the accompanying report of the auditors dated March 28, 2011;

(c) the management report of fund performance of the Fund for the fiscal year ended December 31, 2010;

(d) the unaudited financial statements of the Fund for the six months ended June 30, 2011; and

(e) the interim management report of fund performance of the Fund for the six months ended June 30, 2011.

Any of the documents of the type referred to above including any material change reports (excluding confidential material change reports), annual information forms, interim and annual financial statements and related management reports of fund performance and information circulars filed by the Fund with a securities commission or similar authority in Canada after the date of this short form prospectus and prior to the termination of the Offering, will be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. Information on any of the websites maintained by the Manager does not constitute a part of this short form prospectus.

THE FUND

The Fund is a closed-end investment fund established under the laws of the Province of Ontario and governed by a declaration of trust dated as of May 28, 2009, as amended and restated as of October 7, 2010 (the "**Declaration of Trust**"). The Fund's principal office is 200 King Street West, Suite 1902, Toronto, Ontario M5H 3T4. The fiscal year-end of the Fund is December 31. The beneficial interests in the net assets and net income of the Fund are divided into Units. The Fund is authorized to issue an unlimited number of Units.

The Fund seeks to achieve its investment objectives by obtaining exposure to a portfolio (the "**Portfolio**") comprised primarily of debt securities and term loans that are generally rated at or below BB+ by Standard & Poor's, or Ba1 or less by Moody's investor Services, Inc., or a similar rating by a qualified rating agency in Canada ("**High Yield Debt**"), which is held by an underlying fund, Marret HYS Trust (the "**Trust**"). The Fund commenced operations on June 17, 2009 and raised gross proceeds of $227.3 million in its initial public offering. In October 2010, the Fund completed a subsequent short form prospectus offering of Units and raised an additional $174.7 million. The Fund used the net proceeds of the initial public offering and the subsequent short form prospectus offering for the payment of its purchase obligations under the Forward Agreement.

The net proceeds of the Offering will be used to fund the purchase of additional exposure to the Portfolio through an amendment to the Forward Agreement. Pursuant to the terms of the Forward Agreement, the Counterparty will deliver to the Fund, on or about May 30, 2014 (the "**Termination Date**"), a specified portfolio of securities of Canadian public issuers that are both "Canadian Securities" as defined in the *Income Tax Act* (Canada) (the "**Tax Act**") and listed on the TSX (the "**Canadian Securities Portfolio**") with an aggregate value equal to the redemption proceeds of the relevant number of units of the Trust net of any amount owing by the Fund to the Counterparty. Under the terms of the Forward Agreement, the Fund and the Counterparty have agreed that the Counterparty's settlement obligations under the Forward Agreement will be discharged by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund. As a result of the Forward Agreement, the distributions paid by the Fund and the value of the Units are based on the distributions received by the Trust and the value of the Portfolio.

DESCRIPTION OF THE BUSINESS

Investment Objectives

The Fund seeks to achieve the following investment objectives:

(a) to maximize total returns for Unitholders, consisting of both tax-advantaged distributions and capital appreciation, while reducing risk; and

(b) to provide Unitholders with attractive monthly tax-advantaged cash distributions;

by exposure to the Portfolio, which is comprised primarily by High Yield Debt.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital (which are not immediately taxable, but which reduce the adjusted cost base of a Unitholder's Units). The Fund will determine and announce each quarter the distribution amount for the following quarter, based upon the Manager's estimate of distributable cash flow for the quarter. The Fund may make additional distributions in any given year ("**Additional Distributions**").

Investment Restrictions of the Fund

The Fund is subject to investment restrictions which are set forth in the Declaration of Trust, which provides that the Fund will not:

(a) with respect to the securities acquired pursuant to the Forward Agreement, purchase any securities other than "Canadian securities" for the purposes of the Tax Act;

(b) purchase the securities of an issuer for the purposes of exercising control over management of that issuer or if, as a result of such purchase, the Fund would be required to make a take-over bid that is a "formal bid" for the purposes of applicable securities laws;

(c) make or hold any investment that would result in the Fund failing to qualify as a "mutual fund trust" for purposes of the Tax Act and will not acquire any property that would be "taxable Canadian property" of the Fund as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof); or

(d) make or hold any investment that would result in the Fund being subject to the tax for "specified investment flow-through ("**SIFT")** trusts" as provided for in section 122 of the Tax Act.

The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to conventional mutual funds under such legislation, including National Instrument 81-102 – *Mutual Funds* of the Canadian Securities Administrators. However, the Fund is subject to certain other requirements and restrictions contained in securities legislation, including National Instrument 81-106 — *Investment Fund Continuous Disclosure* and National Instrument 81-107 – *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators, which governs the continuous disclosure and oversight obligations of investment funds, including the Fund.

The Trust

The Trust was established for the purpose of acquiring and holding the Portfolio. The beneficial owner of all of the units of the Trust is the Counterparty or an affiliate of the Counterparty. On Closing, the Counterparty or one of its affiliates may subscribe for additional units of the Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the payment of its purchase obligations under the amended Forward Agreement. The Trust will use any subscription proceeds to acquire additional securities for the Portfolio.

The Trust generally receives interest income from the High Yield Debt included in the Portfolio. The net income of the Trust consists primarily of interest income, less expenses of the Trust. The Trust distributes all of its net income and net realized capital gains earned in each fiscal year.

The Trust is subject to certain investment restrictions, which are set out in the Trust's declaration of trust dated May 28, 2009, and provide that the Trust will not:

(a) have net short exposure (calculated by dividing (i) the amount by which the absolute value of the aggregate short positions held by the Trust exceeds the value of the aggregate long positions in securities (excluding cash and cash equivalents) held by the Trust, by (ii) the net asset value of the Trust) exceeding 50% determined on a daily marked-to-market basis;

(b) have net exposure exceeding 135%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by net asset value of the Trust;

(c) make borrowings, including pursuant to a loan facility or by purchasing securities on margin, if, immediately following the borrowings, the aggregate amount borrowed would exceed 35% of the net asset value of the Trust;

(d) invest more than 10% of its net assets in the securities of any single issuer (as determined at the time of purchase), other than securities issued or guaranteed by the Government of Canada, the United States or of a province, state or territory thereof;

(e) invest more than 10% of its net assets in illiquid securities (which for these purposes means securities the resale of which is restricted by a representation, undertaking or agreement by the Trust or by law);

(f) purchase the securities of an issuer for the purposes of exercising control over management of that issuer or if, as a result of such purchase, the Trust would be required to make a take-over bid that is a "formal bid" for the purposes of applicable securities laws;

(g) with the exception of securities of the Trust's own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Manager or any of their respective affiliates, any officer, director or shareholder of any of them, any person, trust, firm or corporation managed by the Manager or any of their respective affiliates or any firm or corporation in which any officer, director or shareholder of the Manager may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless such transaction complies with National Instrument 81-107 – *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators;

(h) make or hold any investments in entities that would be "foreign affiliates" of the Trust for purposes of the Tax Act;

(i) invest in or hold any securities in any non-resident trusts, other than "exempt foreign trusts" as defined in proposed subsection 94(1) of the Tax Act as set forth in the proposed amendments to the Tax Act released on August 27, 2010 (or pursuant to any amendments to such proposals, subsequent provisions enacted into law, or successor provisions thereto);

(j) at any time, hold any property that is a "non-portfolio property" for the purposes of the provisions of the Tax Act that apply to a SIFT trust, as that term is defined in section 122.1 of the Tax Act, and its unitholders (the "**SIFT Rules**"); or

(k) make or hold any investments that could require the Trust to include any material amount in its income pursuant to section 94.1 of the Tax Act as set forth in the proposed amendments to the Tax Act released on August 27, 2010 (or pursuant to any amendments to such proposals, subsequent provisions as enacted into law, or successor provisions thereto).

In the event that the percentage restriction in paragraph (a) is exceeded, the Trust will buy Portfolio securities in an orderly manner to reduce the outstanding net short exposure.

Investment Opportunity in High Yield Debt Market

The Manager views the credit cycle as consisting of three phases:

- *Phase I* represents the "bull market" for credit. It begins as the economy exits recession, with credit spreads initially at very high levels, then narrowing or reducing throughout Phase I;

- *Phase II* represents a "neutral market" for credit, in which credit spreads and their volatility remain generally low; and

- *Phase III* represents the "bear market" for credit, as the economy enters recession and credit spreads widen rapidly to reflect increased default risk.

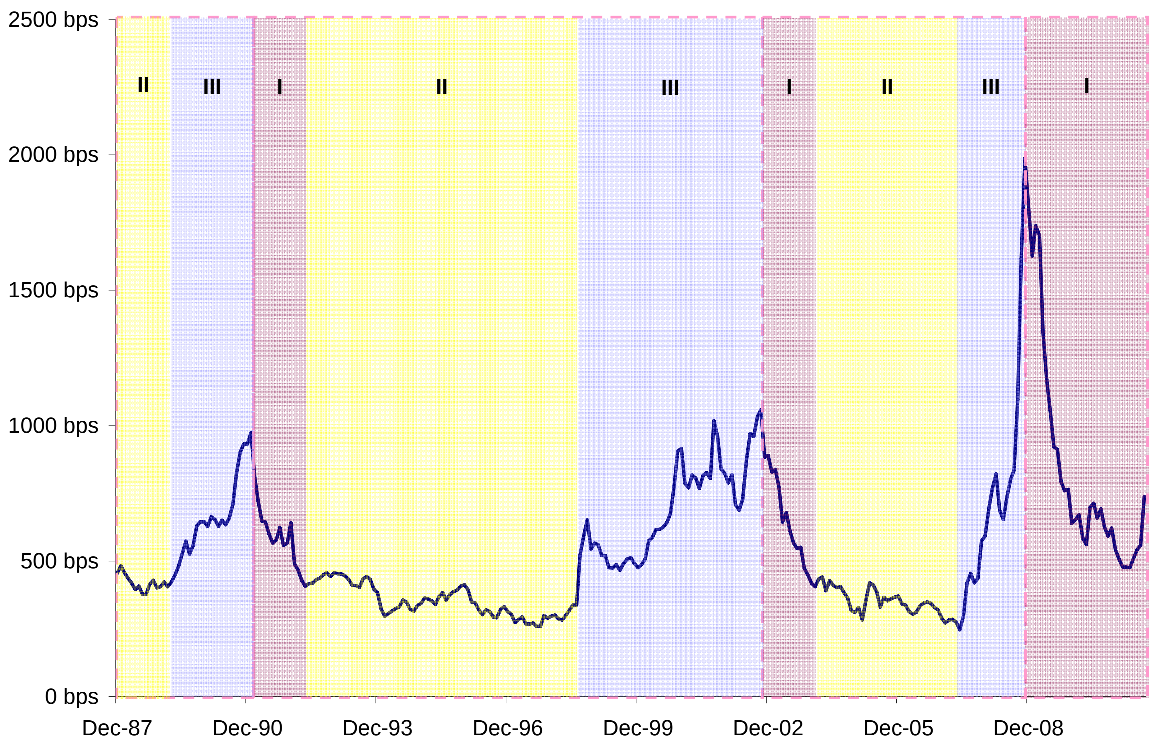
The Manager believes the market is currently in the latter part of Phase II, which is likely to be unusually short as compared to historical phase II periods. The sovereign debt problems in the world continue to escalate and the ability for policymakers to respond appears, to the Manager, to be limited going forward. The Manager expects markets to continue to experience elevated levels of volatility. In such an environment capital preservation will be paramount.

High Yield credit spreads have widened 265 basis points since late April 2011 when European sovereign debt issues resurfaced. The Manager believes the current spread on the Merrill Lynch US High Yield Master II index, being 730 basis points as at August 12, 2011, remains unusually attractive relative to a default rate that remains very low, at approximately 2% on a trailing twelve month basis. This compares to a long term average high yield debt spread of approximately 490 basis points and a long term average default rate at 4%. Corporate balance sheets remain healthy and companies have benefitted from lower borrowing costs as well as an increased ability to refinance existing debt, reducing near-term default risk as a result.

The Manager continues to remain concerned about the long term prospects for the global economy due to the expectation of a sovereign debt crisis. However, in the very short term the Manager still believes the economy is in a slow growth environment and does not subscribe to the view that the economy is currently in a double dip. The technical selloff has been severe in both credit and equities. The US high-yield Index has fallen 4.77% so far in August while US equities have fallen significantly more (month-to-date to August 8, 2011). The Manager believes that the current selloff remains a technical selloff and it therefore has a cautiously optimistic outlook for high yield in the short term. In the Manager's opinion, spreads appear attractive both relative to equity risk and also given the current low rate environment. While the Manager believes there will be some normalization in credit markets if risk stabilizes, the Manager is always mindful of the negative feedback loop that the current technical selloff could have on consumer confidence and on the economy. While it believes the current policy response by the European central bank and US central bank is adequate for the time being, the Manager is closely monitoring many indicators and will act accordingly if it feels the economic conditions further deteriorate.

The following chart shows the historical credit spreads since December 1987 of the Merrill Lynch U.S. High Yield Master II Index over the yield on Treasuries and highlights the three phases of the credit cycle.

High Yield Credit Spreads Over Treasuries



PORTFOLIO

Investment Strategy

The Fund seeks to achieve its investment objectives by obtaining exposure to the Portfolio.

The specific strategy employed by the Manager from time to time in managing the Portfolio will depend on the phase of the credit cycle. In Phase I, the Trust would adopt a long bias, with the return expectations being the greatest. In Phase II, the Trust would have a neutral bias, with capital structure arbitrage (long debt/short equity) becoming the dominant strategy. Finally, in Phase III, the Trust would be expected to have a greater allocation to cash, with derivative and shorting strategies being used to generate positive returns. In Phase III, the Manager may short the CDX North America High Yield Index, which is widely used to hedge High Yield Debt portfolios.

Through all phases of the credit cycle, the Manager employs hedging strategies designed to protect the Portfolio against the risk of losses from currency fluctuations, interest rate changes and market declines. In addition, the Manager employs derivative strategies to invest indirectly in securities or financial markets, provided the investment is consistent with the Trust's investment objectives. The Manager hedges the majority (and not less than 75%) of Portfolio investments denominated in foreign currencies to the Canadian dollar.

The Trust also engages in short selling of securities that the Manager believes to be overvalued, thereby offering the potential for gains as well as limiting the overall credit risk exposure of the Portfolio investments. The degree of short selling depends on the phase of the credit cycle. In some cases, the equity securities of a company may be sold short to hedge a long position of the same company's High Yield Debt. The Manager believes that this is an effective hedging strategy, since deteriorating company fundamentals hurt the equity securities of a company more than the High Yield Debt, which tend to be protected by legal covenants and have a more senior claim on the company's assets. The Net Short Exposure of the Trust will not exceed 50% determined on a daily marked-to-market basis.

While the Portfolio consists primarily of High Yield Debt, the Manager may also purchase additional securities which may include, but are not limited to, equity securities, securities of income trusts and exchange-traded funds. The Portfolio may from time to time also include a significant amount of cash and/or cash equivalents.

Investment Process

The Manager selects, monitors and manages the Portfolio investments in the following manner and subject to the investment restrictions noted above.

Top Down Macroeconomic Analysis: In selecting High Yield Debt, the Manager performs a fundamental analysis of economic, political and market trends. This analysis identifies sectoral trends that provide a template which shapes the Portfolio through the credit cycle. Next, the Manager determines the point in, and duration of, the current credit cycle in order to evaluate the relative attractiveness of industries and sectors. Finally, the Manager identifies sectors that in its opinion will experience positive and negative cash flow trends as the cycle evolves.

Bottom-up Company and Security Analysis: Company fundamentals are reviewed to assess a company's ability to generate cash and meet interest and principal obligations on its debt securities. The Manager focuses on industry position, operating leverage, management strength and experience, historical earnings and future projections, liquidity profile and accounting ratios and practices. The ultimate goal of this process is to identify High Yield Debt trading at levels inconsistent with the Manager's analysis of potential return and underlying risk. In selecting High Yield Debt for the Portfolio, the Manager takes into consideration industry, maturity, level of liquidity and security diversification. The Manager seeks to acquire High Yield Debt that offers attractive risk/return characteristics and has protection by its issuers for an initial period (generally two to three years) and security backing.

Risk Management

Portfolio risk management is an important part of the Manager's investment process. The foundation for the Manager's approach is a credit process document written by Barry Allan when the firm was founded, which details the investment process and discipline of the Manager. Weekly credit meetings, at which Mr. Allan updates his macroeconomic view and discusses sectoral trends and at which credit analysts give company and security updates, are an integral part of this fundamental process. The Manager has devised a liquidity scoring system under which every bond in a portfolio is assigned a liquidity ranking. This is intended to act as an early warning system against credit deterioration. The Manager also employs a relative value benchmarking system: each company is assigned a peer group and analyzed relative to its peers, rather than absolutely, or in isolation.

Portfolio Composition

The Manager selects securities for the Portfolio based on its assessment of the credit quality and total return expectations of such securities. The Portfolio composition will vary depending on the phase of the credit cycle. The Manager believes the market is approaching the end of Phase I.

The following table sets forth the various asset classes which comprise the Portfolio as at June 30, 2011.

Asset Class	**Portfolio Net Exposure as at June 30, 2011**
Corporate Debt Long	78.6%
Bank Loans Long	8.8%
Government Debt Long	8.7%
Equity Long	4.7%
Exchange Traded Funds Long	3.3%
Convertible Debt Long	2.6%
Capital Structure Arbitrage – Debt Long vs. Equity Short	0.7%
Business Trust Long	0.0%
Equity Short	-1.4%
Business Trust Short	-1.5%
Exchange Traded Funds Short	-4.2%
Government Debt Short	-15.8%
Portfolio net exposure to market(1)	**84.5%**
Cash and cash equivalents	14.3%
Other assets (liabilities)	1.2%

Note: (1) There is an additional off balance sheet exposure to corporate debt of -8.7% through Index based Credit Default Swaps. The unrealized gains/(losses) on these swaps constitutes part of the "Other assets (liabilities)" balance above.

The following table set forth the industry diversification of the Portfolio as at June 30, 2011.

Industry	**Portfolio Net Exposure as at June 30, 2011**
Basic Industry	16.5%
Telecommunications	11.8%
Media	11.7%
Services	11.2%
Energy	9.6%
Consumer Cyclical	7.3%
Utility	6.6%
Healthcare	5.6%
Automotive	3.8%
Financial Services	3.6%
Consumer Non-Cyclical	3.1%
Technology & Electronics	3.0%
Capital Goods	2.2%
Real Estate	-1.4%

The following table set forth the credit rating diversification of the High Yield Debt comprising the Portfolio as at June 30, 2011.

	Standard & Poor's	**Corporate Debt comprising**

	Credit Rating	Portfolio Net Exposure as at June 30, 2011
Investment Grade	AAA	6.2%
	AA	5.0%
	A	3.5%
	BBB	2.8%
High Yield	BB	30.7%
	B	27.9%
	CCC	7.5%
	CC	-
	C	-
	D	-
No Rating	--	13.6%
Convertible Debt	--	2.9%

Note: According to Standard & Poor's rating definitions (standardandpoors.com/ratings/definitions-and-faqs/en/us#def_1) their ratings have the following meanings: 'AAA'—Extremely strong capacity to meet financial commitments (highest rating); 'AA'—Very strong capacity to meet financial commitments; 'A'—Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances; 'BBB'—Adequate capacity to meet financial commitments, but more subject to adverse economic conditions; 'BB'—Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions; 'B'—More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments; 'CCC'—Currently vulnerable and dependent on favourable business, financial and economic conditions to meet financial commitments; 'CC'—Currently highly vulnerable; 'C'—Currently highly vulnerable obligations and other defined circumstances; 'D'—Payment default on financial commitments.

Fund Performance

The following table sets forth the Fund's relative performance for periods ending August 11, 2011.

Net Compound Annual Total Returns and Volatility				
	1 year	2 year	Since Inception(1)	Volatility(1)(2)
Marret High Yield Strategies Fund(3)(4)	8.3%	12.9%	13.7%	3.9%
Merrill Lynch U.S. High Yield Master II Index(5)	7.0%	13.9%	16.6%	3.8%
S&P/TSX Composite Total Return Index	11.1%	11.6%	12.5%	15.5%
S&P 500 Total Return Index	9.8%	10.8%	14.6%	18.3%

Notes:
(1) Calculated from the Fund's inception date of June 17, 2009.
(2) Volatility as measured by annualized standard deviation on daily returns since the inception of the Fund. Daily returns calculated on trading days in corresponding market.
(3) Unaudited. Based on net asset value of Unit and assuming that all distributions are re-invested in Units at net asset value per Unit. Returns are net of all fees and expenses.
(4) Starting net asset value per Unit of $9.4424 at Fund's inception.
(5) Hedged to the Canadian dollar.

REDEMPTIONS

The annual conditional redemption right was amended on October 7, 2010 such that Units are redeemable at net asset value on the last business day of July, 2012, and every year thereafter, if and only if the average of the net asset values of the Units on the first four Valuation Dates (as defined below) occurring in the month of May of such year is less than the net asset value of the Units on September 16, 2010, being $10.59. Prior to such amendment, Units were redeemable pursuant to the annual conditional redemption on the last business day in July of each year, commencing in July, 2011 if the average of the net asset values of the Units on the first four Valuation Dates occurring in the month of May preceding the such annual redemption date was less than $10.00.

*Annual Conditional Redemption Right***.** Units may be redeemed at the option of Unitholders on the last business day in July of each year, commencing in July, 2012 (the **"Annual Redemption Date"**), if and only if the Annual Redemption Condition, described below, has been met in such year. Units so redeemed will be redeemed at a redemption price equal to the net asset value per Unit on the Annual Redemption Date, less any costs associated with the redemption, including commissions and other such costs, if any, related to the partial settlement of the Forward Agreement to fund such redemption. The Units must be surrendered for redemption at least ten business days prior to the Annual Redemption Date. Payment of the proceeds of redemption will be made on or before the 15th business day of the following month.

Annual Redemption Condition. Units may only be redeemed on an Annual Redemption Date if the average of the net asset values of the Units on the first four Valuation Dates occurring in the month of May preceding the Annual Redemption Date is less than $10.59. On the first business day following the fourth such Valuation Date, the Manager will issue a press release stating the average net asset value and whether or not the annual conditional redemption right has been triggered. **"Valuation Date"** means, at a minimum, Thursday of each week, or if any Thursday is not a business day, the immediately preceding business day, and the last business day of each month, and includes any other date on which the Manager elects, at its discretion to calculate the net asset value per Unit. See "Risk Factors – Significant Redemptions".

Monthly Redemption Right. Units may be redeemed at the option of Unitholders on the second last business day of each month other than July in a year where the Annual Redemption Condition has been met (a **"Monthly Redemption Date"**), subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last business day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the tenth business day of the month immediately following a Monthly Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances. Unitholders surrendering a Unit for redemption pursuant to the Monthly Redemption Right will receive a redemption price equal to the lesser of (i) 94% of the weighted average trading price on the TSX of a Unit for the 10 trading days immediately preceding such Monthly Redemption Date, and (ii) 100% of (a) the closing price of a Unit on the TSX on such Monthly Redemption Date if there was a trade on the Monthly Redemption Date and the TSX provides a closing price, (b) the average of the highest and lowest prices of a Unit on the TSX on such Monthly Redemption Date if there was trading on the Monthly Redemption Date and the TSX provides only the highest and lowest prices of the Unit traded on a particular day, or (c) the average of the last bid and the last asking prices of a Unit on the TSX on such Monthly Redemption Date if there was not trading on the applicable Monthly Redemption Date. See "Risk Factors – Significant Redemptions".

FEES AND EXPENSES

Expenses of the Offering

The expenses of the Offering (including the costs of preparing, printing and mailing this short form prospectus, legal expenses, expenses of the auditors and translation fees, but excluding the Agents' fee), which are estimated to be $●, will be paid out of the gross proceeds of the Offering, subject to a maximum of 1.5% of the gross proceeds of the Offering. In addition, the Agents' fee will be paid to the Agents from the gross proceeds of the Offering as described under "Plan of Distribution".

Management Fee

The Manager receives a management fee from the Fund equal to 0.25% per annum of the net asset value of the Fund, calculated and payable monthly in arrears, plus applicable taxes, plus a service amount calculated and paid as soon as practicable after the end of each calendar quarter, equal to 0.40% per annum of the net asset value attributable to the Units, plus applicable taxes. See "Fees and Expenses – Service Fee".

Marret Asset Management Inc. ("**Marret**") also receives a management fee from the Trust equal to 0.75% of the net asset value of the Trust, calculated and payable monthly in arrears, plus applicable taxes.

Counterparty Fees

The Fund pays to the Counterparty an amount under the Forward Agreement, calculated daily and payable quarterly in arrears, of 0.25% per annum of the notional amount of the Forward Agreement (being effectively equal to the net asset value of the Trust).

Ongoing Expenses

The Fund and the Trust pay for all of their respective expenses incurred in connection with their operation and administration, as more particularly described in the current AIF, which is incorporated by reference in this short form prospectus.

Performance Fee

The Manager receives a performance fee calculated and accrued monthly and paid annually. The amount of the performance fee is determined as of December 31 of each year (the "**Determination Date**"). The performance fee for a given year will be an amount for each unit of the Trust outstanding at the time of the accrual equal to 15% of the amount by which the sum of (i) the net asset value of such unit (calculated without taking into account the performance fee), and (ii) the distributions paid on such unit during the previous 12 months, exceeds 106.35% of the greater of (the **"Hurdle"**) (a) the net asset value per unit of the Trust immediately following the closing of the Fund's initial public offering, which was $10, (b) the net asset value per unit of the Trust on the Determination Date for the previous fiscal year (after payment of such performance fee); and (c) the net asset value per unit of the Trust on the Determination Date in the last fiscal year in which a performance fee was paid (after payment of such performance fee). The performance fee in respect of Units issued pursuant to the Offering will only accrue and be payable in respect of distributions and net asset value growth occurring after the Closing.

Service Fee

The Manager pays a service fee in an amount comparable to the service amount received by the Manager, plus applicable taxes to brokers based on the number of Units held by clients of such brokers at the end of the relevant quarter.

CAPITALIZATION TABLE

The following table sets forth the unaudited capitalization of the Fund before and after giving effect to the Offering, assuming a maximum total Offering of ● Units and assuming that the Over-Allotment Option is exercised in full:

Designation	Authorized as at ●, 2011	Outstanding as at June 30, 2011	Outstanding as at ●, 2011	Outstanding as at ●, 2011 after giving effect to the Offering
Units	Unlimited	$413,257,280 (38,396,109 Units)	$● (● Units)	$● (● Units)

PRICE RANGE, NET ASSET VALUE, TRADING VOLUME OF UNITS AND DISTRIBUTIONS

The Units trade on the TSX under the trading symbol, "MHY.UN". On ●, 2011, the closing price of the Units on the TSX was $● per Unit and the net asset value per Unit was $●. The following table sets forth the closing market price and trading volume of the Units on the TSX for the 12-month period prior to the date of this short form prospectus. All such information, other than the net asset value per Unit and distributions per Unit, was obtained from Bloomberg or the TSX and the Fund, the Manager and the Agents do not assume any responsibility for the accuracy of such information.

	Net Asset Value per Unit			Closing Market Price		
Period	Low	High	Distribution per Unit	Low	High	Volume
2011						
August 1 – August 16	$10.5631	$10.8746	--	$11.08	$11.75	579,400
July	$10.7440	$10.9329	$0.06700	$11.33	$11.77	559,094
June	$10.7020	$10.9223	$0.06700	$11.25	$11.79	798,377
May	$10.9087	$11.0117	$0.06700	$11.32	$11.65	737,852
April	$10.9748	$11.1260	$0.06700	$11.33	$11.50	538,002
March	$10.9241	$11.0935	$0.06700	$11.05	$11.49	1,101,381
February	$10.9231	$11.0494	$0.06700	$11.15	$11.45	880,653
January	$10.7891	$10.9697	$0.06700	$11.10	$11.80	976,662
2010						
December	$101.6612	$10.7904	$0.06700	$11.20	$11.49	686,471
November	$10.6289	$10.7770	$0.06700	$11.18	$11.50	898,186
October	$10.6289	$10.7473	$0.06700	$10.95	$11.30	977,473
September	$10.5232	$10.6329	$0.06700	$10.81	$11.23	593,273
August	$10.50	$10.57	$0.06700	$10.66	$11.05	745,101

PRIOR SALES

On October 7, 2010 the Fund issued 14,800,000 Units at $11.15 per Unit for gross proceeds of $165,020,000. On October 18, 2010, the Fund issued an additional 866,109 Units at $11.15 per Unit for gross proceeds of $9,657,115.

Other than as disclosed immediately above, the Fund has not issued any Units in the 12-month period preceding the date of this short form prospectus.

RISK FACTORS

Prospective investors should carefully consider, in addition to the information contained in this short form prospectus and the information incorporated by reference herein, the risks described in the AIF which is incorporated by reference herein.

Certain risk factors relating to the Fund, the Trust and the Units are described below. As a result of the Forward Agreement, Unitholders are exposed to risks relating to the Trust. Additional risks and uncertainties not currently known to the Manager, or that are currently considered immaterial, may also impair the operations of the Fund or the Trust. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund, and the ability of the Fund to make distributions on the Units, could be materially adversely affected.

No Public Market for Offered Units

The Manager will, on behalf of the Fund, apply to list the Offered Units distributed under this short form prospectus on the TSX. Listing of the Offered Units will be subject to the Fund fulfilling all of the listing requirements of the TSX. There is currently no public market for the Offered Units and there can be no assurance that an active public market will develop or be sustained after completion of the Offering.

No Assurance in Achieving Investment Objectives or Making Distributions

There is no assurance that the Fund or the Trust will be able to achieve their respective investment objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the net asset value of the Fund will appreciate or be preserved. By virtue of the Forward Agreement, changes in the relative weightings between the various types of securities making up the Portfolio can affect the overall yield to Unitholders.

Trading Price of Units

The Units may trade in the market at a discount to the net asset value per Unit and there can be no assurance that the Units will trade at a price equal to the net asset value per Unit.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

General Risks of Investing in Debt Securities

Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The net asset value of the Trust will fluctuate with interest rate changes and the corresponding changes in the value of the securities in the Portfolio. The value of debt securities is also affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness. Corporate debt securities may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Certain of the debt securities that may be included in the Portfolio from time to time may be unsecured, which will increase the risk of loss in case of default or insolvency of the issuer. Global financial markets have experienced a significant re-pricing beginning in 2008 that has contributed to a reduction in liquidity and the availability of credit enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt.

Risks of Investing in High Yield Debt

High Yield Debt involves greater risks than investment grade debt, including risks of default in the payment of interest and principal, lower recovery rates on a debt security that is in default and greater price changes due to such factors as general economic conditions and the issuer's creditworthiness. Such securities can be regarded as predominantly speculative, and involve certain risk exposure to adverse conditions and may be subject to substantial price volatility, especially during times of economic change. Lower rated debt may be less liquid than investment rated securities. During periods of thin trading, the spread between bid and ask prices is likely to increase significantly and the Manager may have difficulty selling such securities. There are no formal exchanges on which such High Yield Debt trades. Accordingly, there may be limited liquidity for holders of such High Yield Debt.

Fluctuation in Value of Portfolio Securities

The value of the Units will vary according to the value of the securities included in the Portfolio by virtue of the Forward Agreement. The value of the securities included in the Portfolio will be influenced by factors which are not within the control of the Trust or the Manager, including the financial performance of the respective issuers, operational risks relating to the specific business activities of the respective issuers, quality of assets owned by the respective issuers, commodity prices, risks associated with issuers operating outside of Canada, exchange rates, interest rates, environmental risks, political risks, issues relating to government regulation, credit markets and other financial market conditions. As a result of its exposure to the Portfolio, the Fund will also be subject to the risks inherent in investments in equity securities, including the risk that the financial condition of the issuers in which the Trust invests may become impaired or that the general condition of the stock markets may deteriorate. Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

Recent Global Financial Developments

Global financial markets have experienced increased volatility recently due to the "controlled default" of Greece and the U.S. debt ceiling negotiations. Rising inflation and interest rates in China and weak economic data in the U.S. have also been significant factors. Long term, the sovereign debt problems in larger economies, including the U.S may have a material impact on global growth and financial markets. Monetary policy may not be effective in restoring growth to developed economies or dampening inflation in emerging markets. The global economy may experience an extended period of weak growth or perhaps even a global recession. Despite the long/short strategies employed to preserve capital and dampen volatility, there is no assurance that the global economic environment may not adversely affect the prospects of the Trust and the value of the securities held in the Portfolio.

Use of Short Selling

Selling securities short may result in the loss of an amount greater than the amount invested since there is theoretically no limit to the price to which the securities that have been sold short may rise before the short position is closed out. In addition, the supply of securities which can be borrowed in order to maintain short positions fluctuates from time to time. There is no assurance that the lender of securities or financial instruments will not require the security to be repaid before the Manager wishes to do so, thereby requiring the Trust to borrow the security elsewhere or purchase the security in the market at an unattractive price. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that any borrowing fee will not increase during the borrowing period, adding to the expense of a short sale strategy. In addition, there is no assurance that a security sold short can be repurchased due to supply and demand constraints in the marketplace.

Forward Agreement Counterparty Risk

The Forward Agreement, which is the sole material asset of the Fund, exposes the Fund to the unsecured credit risk associated with the Counterparty. The Counterparty may have relationships with any or all of the issuers whose securities are included in the Portfolio which could conflict with the interests of the Fund. In addition, the possibility exists that the Counterparty will default on its payment obligations under the Forward Agreement or that the proceeds from the sale of the Canadian Securities Portfolio acquired pursuant to the Forward Agreement will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third-party creditors in the event the Fund has insufficient assets, excluding the proceeds from the sale of the Canadian Securities Portfolio acquired pursuant to the Forward Agreement, to pay its liabilities. Unitholders will have no recourse or rights against the assets of the Trust or the Counterparty and the Counterparty is not responsible for the returns of the Portfolio.

Composition of Portfolio

The composition of the securities included in the Portfolio taken as a whole may vary widely from time to time and may be concentrated by commodity, industry or geography, resulting in the securities included in the Portfolio being less diversified than anticipated. Overweighting investments in certain sectors or industries involves risk that the Trust will suffer a loss because of declines in the prices of securities in those sectors or industries.

Interest Rate Fluctuations

It is anticipated that the market price for the Units at any given time will be affected by the level of interest rates prevailing at such time by virtue of the Forward Agreement. A rise in interest rates may have a negative effect on the market price of the Units. Unitholders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price or sale price of the Units will be negatively affected by interest rate fluctuations.

Illiquid Securities

There is no assurance that an adequate market will exist for the securities included in the Portfolio and it cannot be predicted whether the securities included in the Portfolio will trade at a discount to, a premium to, or at their respective par or net asset values.

Use of Derivatives

The Trust may invest in and use derivative instruments for hedging purposes to the extent considered appropriate by the manager of the Trust taking into account factors including transaction costs. There can be no assurance that the Trust's hedging strategies will be effective. The Trust is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is a risk of loss by the Trust of margin deposits in the event of the bankruptcy of the dealer with whom the Trust has an open position in an option or futures or forward contract. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of the Trust to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If the Trust is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on the Trust's ability to use derivative instruments to effectively hedge the Portfolio.

Currency Exposure

As the Portfolio is invested in securities traded in United States dollars, the net asset value of the Fund, when measured in Canadian dollars, is, to the extent this has not been hedged against, affected by changes in the value of the United States dollar relative to the Canadian dollar. The Trust may not be fully hedged at all times. Accordingly, no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if the hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Use of a Prime Broker to Hold Assets

Some or all of the assets of the Trust may be held in one or more margin accounts due to the fact that the Trust will sell securities short. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the assets of the Trust in such accounts, which may result in a potential loss of such assets. As a result, the assets of the Trust could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Trust may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded, and which would adversely affect the total return to the Fund.

Securities Lending

The Trust may engage in securities lending. Although the Trust will receive collateral for the loans and such collateral will be marked-to-market, the Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral proves to be insufficient to reconstitute the portfolio of loaned securities.

Use of Leverage

The Trust may utilize a loan facility or other forms of leverage in order to implement its investment strategy. While leverage may increase the potential for total returns, it may also potentially increase losses. If income and appreciation on investments made with borrowed funds are less than the cost of leverage, the value of the Trust's net assets will decrease. Any event which adversely affects the value of an investment held by the Trust will be magnified to the extent leverage is employed. Many leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading at times or prices that are disadvantageous to the Trust and which could result in a loss for the Trust.

Reliance on the Manager

The Manager will manage the Portfolio held by the Trust in a manner consistent with the investment objectives and the investment restrictions of the Trust. The officers and employees of the Manager who will be primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios, however, there is no certainty that such key officers and employees, including the President, Barry Allan, will continue to be employees of the Manager until the termination of the Trust.

Taxation of the Fund

In determining its income for tax purposes, the Fund will not treat the acquisition of Canadian Securities Portfolio securities under the Forward Agreement as a taxable event and will treat gains or losses on any disposition of Canadian Securities Portfolio securities acquired under the Forward Agreement as capital gains and capital losses for the purposes of the Tax Act. No advance income tax ruling has been requested or obtained from the Canada Revenue Agency (the "**CRA**") regarding the timing or characterization of the Fund's income, gains or losses. If, contrary to the advice of counsel to the Fund or as a result of a change of law, the acquisition of Canadian Securities Portfolio securities under the Forward Agreement was a taxable event or if gains realized on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement were treated other than as capital gains on the sale of such securities (by virtue of the application of the general anti-avoidance rule or otherwise), after-tax returns to Unitholders would be reduced.

On October 31, 2003 the Department of Finance (Canada) announced a Tax Proposal (as hereinafter defined) relating to the deductibility of losses under the Tax Act. Under this Tax Proposal, a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If the Tax Proposal were to apply to the Fund or the Trust, deductions that would otherwise reduce the Fund's or the Trust's taxable income could be denied, with after-tax returns to the Unitholders reduced as a result. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace this Tax Proposal would be released for comment. No such alternative proposal has been received to date. There can be no assurance that such alternative proposal will not adversely affect the Fund.

U.S. Withholding Tax Risk

Under new U.S. tax rules, starting in 2014, Unitholders of the Fund may be required to provide identity and residency information to the Fund, which may be provided by the Fund to U.S. tax authorities, in order to avoid a 30% U.S. withholding tax being imposed on certain U.S. source income and on sale proceeds received by the Fund. In certain circumstances, the Fund may be required to withhold a 30% tax from distributions it pays to Unitholders who have not provided the required information. It is unclear at the current time whether the Fund and Unitholders may be exempt from these requirements.

No Ownership Interest

An investment in Units does not constitute an investment by Unitholders in the securities included in the Portfolio. Unitholders will not own the securities held by the Fund or the Trust by virtue of owning Units.

Changes in Legislation

There can be no assurance that certain laws applicable to the Fund, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects the Fund, the Units or Unitholders.

Conflicts of Interest — the Manager

The Manager, who is the manager of both the Fund and the Trust, and its directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of the Fund and/or the Trust. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Fund or the Trust, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Fund, the Trust and the Manager.

Status of the Fund

As the Fund is not a mutual fund as defined under Canadian securities laws, the Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds.

Significant Redemptions

Unitholders have a right of annual redemption. The purpose of the annual redemption right is to reduce the extent to which Units trade at a substantial discount and to provide investors with the right to eliminate entirely any trading discount once per year. If a substantial number of Units are redeemed, the number of Units outstanding could be significantly reduced with the effect of decreasing liquidity of the Units in the market. In addition, the expenses of the Fund would be spread among fewer Units resulting in a lower net asset value per Unit than if there were fewer redemptions. If, as a result of significant redemptions, the Manager determines that it is in the best interests of Unitholders to terminate the Fund, the Manager may terminate the Fund without Unitholder approval.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

Nature of Units

The Units are neither fixed income nor equity securities. The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and McCarthy Tétrault LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this short form prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length and is not affiliated with the Fund, and holds Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" owned or subsequently acquired treated as capital property by making the irrevocable election in accordance with the Tax Act. This summary is based on the assumptions that the Canadian Securities Portfolio will consist solely of "Canadian securities" for purposes of the Tax Act and that the Fund has elected in accordance with the Tax Act to have each of its Canadian securities treated as capital property.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current published administrative policies and assessing practices of the CRA, and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province or provinces in which the investor resides or carries on business. Counsel expresses no views herein in respect of the deductibility of interest on any funds borrowed by a Unitholder to purchase Units. **This summary is of a general nature only and is not intended to be legal or tax advice to any Unitholder. Unitholders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.**

Status of the Fund

This summary is based on the assumptions that the Fund will qualify, at all times, as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act. To qualify as a mutual fund trust, the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Units. Provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, or the Units are listed on a designated stock exchange (which currently includes the TSX), the Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans, and tax-free savings accounts ("**Registered Plans**").

Taxation of the Fund

The Fund is subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amount paid or payable to Unitholders in the year. Counsel has been advised that the Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its income, including its net realized capital gains, it will generally not be liable in such year for income tax under Part I of the Tax Act, subject to the possible application of the SIFT Rules.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (a "capital gains refund"). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of Canadian Securities Portfolio securities acquired by the Fund under the Forward Agreement in connection with a redemption of Units.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act. The Fund may deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days.

The Fund will not realize any income, gain or loss as a result of entering into the amendment to the Forward Agreement and no amount will be included in computing the Fund's income as a result of the acquisition of Canadian Securities Portfolio securities under the Forward Agreement. The cost to the Fund of such Canadian Securities Portfolio securities will be that portion of the aggregate amount paid by the Fund under the Forward Agreement attributable to such securities and any other costs of acquisition. Gains or losses realized by the Fund on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement will be taxed as capital gains or capital losses.

On October 31, 2003 the Department of Finance announced a Tax Proposal relating to the deductibility of losses under the Tax Act. Under this Tax Proposal, a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If such Tax Proposal were to apply to the Fund, deductions that would otherwise reduce the Fund's taxable income could be denied, with after-tax returns to the Unitholders reduced as a result. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the Tax Proposals of October 31, 2003 would be released for comment. To date, no such alternative proposal has been released.

The Tax Act imposes tax on certain income earned by a SIFT trust. Provided the Fund complies with its investment restrictions, it will not be liable for tax pursuant to the SIFT Rules.

Taxation of Unitholders

Subject to the possible application of the SIFT Rules, a Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The non-taxable portion of the Fund's net realized capital gains paid or payable (whether in cash or in Units) to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed gain. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholders' proceeds of disposition (net of any reasonable costs of disposition) exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base to a Unitholder of a Unit, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property that were acquired before that time. For this purpose, the cost of Units that have been issued as an Additional Distribution will generally be equal to the amount of the net income or capital gain distributed to the Unitholder in Units.

One-half of any capital gain ("taxable capital gain") realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as net realized taxable capital gains or taxable capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Taxation of Registered Plans

Amounts of income and capital gains distributed by the Fund to a Registered Plan are generally not taxable under Part I of the Tax Act while retained in the Registered Plan, provided that the Units are qualified investments under such a Registered Plan. Unitholders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Taxation Implications of the Fund's Distribution Policy

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units. Since the Fund makes monthly distributions, the consequences of acquiring Units late in a calendar year will generally depend on the amount of the monthly distributions throughout the year and whether an Additional Distribution is necessary late in the calendar year to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel for the Fund, and McCarthy Tétrault LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act or the Offered Units are listed on a designated stock exchange (which currently includes the TSX), the Offered Units will be qualified investments under the Tax Act for trusts governed by Registered Plans.

Notwithstanding the foregoing, if the Units are "prohibited investments" for the purposes of a tax-free savings account, a Unitholder will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a unit of a trust which does not deal at arm's length with the holder, or in which the holder has a significant interest, which, in general terms, means the ownership of 10% or more of the value of the Fund's outstanding units by the holder, either alone or together with persons with whom the holder does not deal at arm's length. Tax Proposals contain similar rules with respect to registered retirement savings plans, registered retirement income funds, and their annuitants. Unitholders are advised to consult their own tax advisors in this regard.

TRUSTEE, CUSTODIAN, AUDITOR, TRANSFER AGENT AND PROMOTER

The Trustee

Equity Transfer & Trust Company is the trustee of the Fund. The Trustee is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust. The address of the Trustee is 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

The Custodian

CIBC Mellon Trust Company at its office in Toronto, Ontario is separately appointed as the custodian of the assets of the Fund and the Trust. The Custodian, directly or through sub-custodians, is responsible for safekeeping of all the investments and other assets of the Fund and the Trust delivered to it (but not those assets of the Fund or the Trust not directly controlled or held by the Custodian, as the case may be).

Auditor

The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Accountants, at Suite 3000, Royal Trust Tower, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario M5K 1G8.

Transfer Agent and Registrar

Computershare Investor Services Inc. acts as transfer agent and registrar for the Units and maintains the securities registers of the Fund at its office in Toronto, Ontario.

USE OF PROCEEDS

The net proceeds from the issue of the maximum number of Units offered hereby after payment of the Agents' fee and the expenses of the Offering are estimated to be $●. The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) to invest in the Portfolio through the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds of the relevant number of units of the Trust.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to act as, and have been appointed as, the sole and exclusive agents of the Fund to offer the Offered Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the

Agency Agreement. The Units will be issued at a price of $● per Offered Unit. The offering price per Offered Unit was determined by negotiation between the Agents and the Manager on behalf of the Fund. The price per Offered Unit is equal to the net asset value per Unit as at ●, 2011 plus the expected expenses of the Offering. In consideration for their services in connection with the Offering, the Agents will be paid a fee of $● (4.0%) per Offered Unit sold under the Offering and will be reimbursed for reasonable out-of-pocket expenses incurred by them. The Agents' fees and expenses will be paid by the Fund out of the proceeds of the Offering. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase any Units which are not sold.

The Fund has granted to the Agents the Over-Allotment Option, which is exercisable for a period of 30 days from the Closing and gives the Agents the right to offer additional Units in an amount equal to up to 15% of the aggregate number of Offered Units sold on Closing on the same terms as set forth above. To the extent that the Over-Allotment Option is exercised, the additional Units will be sold at $● per Unit and the Agents will be paid a fee of $● per Unit sold. This short form prospectus qualifies the grant of the Over-Allotment Option as well as distribution of the Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the over-allocation position Option acquires such Units under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The maximum number of Offered Units which will be sold is ● Units or $●. There is no minimum amount for the Offering. Under the terms of the Agency Agreement, the Agents, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, may terminate the Agency Agreement and withdraw all subscriptions for Offered Units on behalf of subscribers. Subscriptions for Offered Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. The Closing will take place on or about ●, 2011 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a receipt for the final short form prospectus is issued.

The Counterparty is a Canadian chartered bank affiliate of Scotia Capital Inc., one of the Agents. Consequently, the Fund may be considered to be a "connected issuer" of Scotia Capital Inc. for the purposes of securities regulations of certain Canadian provinces.

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers, the Agents may not, throughout the period of distribution under this short form prospectus, bid for or purchase Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the by-laws and rules of relevant self-regulatory authorities relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, an Agent may, in connection with this Offering, over-allot or effect transactions in connection with its over-allotted position. Such transactions, if commenced, may be discontinued at any time.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of Units while this Offering is in progress. These transactions may also include making short sales of Units, which involve the sale by the Agents of a greater number of Offered Units than they are required to purchase in this Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Agents may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Units in the open market. In making this determination, the Agents will consider, among other things, the price of Units available for purchase in the open market compared to the price at which they may purchase Units through the Over-Allotment Option. The Agents must close out any naked short position by purchasing units in the open market. A naked short position is more likely to be created if the Agents are concerned that there may be downward pressure in the price of the Units in the open market that could adversely affect investors who purchase in this Offering. Any naked short position would form part of the Agents' over-allocation position.

Pursuant to the Agency Agreement, the Fund and the Manager have agreed to indemnify the Agents and their controlling persons, directors, officers and employees against certain liabilities.

The Manager has, on behalf of the Fund, applied to list the Offered Units distributed under this short form prospectus on the TSX. Listing of the Offered Units will be subject to the Fund fulfilling all of the listing requirements of the TSX.

EXPERTS

Certain legal matters in connection with the issuance and sale of the Units offered by this short form prospectus will be passed upon on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Agents by McCarthy Tétrault LLP.

As of the date hereof, the partners and associates of Stikeman Elliott LLP, as a group, and McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Units.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

INDEPENDENT AUDITOR'S CONSENT

We have read the short form prospectus of Marret High Yield Strategies Fund (the "**Fund**") dated ●, 2011 relating to the offering of units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned short form prospectus of our report to the unitholders of the Fund on the statement of investment portfolio of the Fund as at December 31, 2010, the statements of net assets as at December 31, 2010 and the statements of operations, changes in the net assets and cash flows for the year ended December 31, 2010 and for the period from June 17, 2009 (commencement of operations) to December 31, 2009. Our report is dated March 28, 2011.

Toronto, Ontario
●, 2011

●
Chartered Accountants, Licensed Public Accountants

CERTIFICATE OF THE FUND AND THE MANAGER

Dated: August 18, 2011

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all of the provinces of Canada.

MARRET HIGH YIELD STRATEGIES FUND
by
its manager, Marret Asset Management Inc.
and on behalf of the manager, Marret Asset Management Inc.

By: (*Signed*) BARRY ALLAN President (signing in the capacity as chief executive officer)	By: (*Signed*) MARCUS SPAIN Chief Financial Officer

On behalf of the Board of Directors
of
Marret Asset Management Inc.

By: (*Signed*) DAVID GLUSKIN Director	By: (*Signed*) PAUL SANDHU Director

CERTIFICATE OF THE AGENTS

Dated: August 18, 2011

To the best of our knowledge, information and belief, this short form prospectus together with the documents incorporated by reference constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all of the provinces of Canada.

RBC DOMINION SECURITIES INC.	CIBC WORLD MARKETS INC.
By: (Signed) CHRISTOPHER BEAN	By: (Signed) MICHAEL D. SHUH

GMP SECURITIES L.P	TD SECURITIES INC.
By: (Signed) NEIL SELFE	By: (Signed) JONATHAN BROER

BMO NESBITT BURNS INC.	HSBC SECURITIES (CANADA) INC.	NATIONAL BANK FINANCIAL INC.	SCOTIA CAPITAL INC.
By: (Signed) ROBIN G. TESSIER	By: (Signed) BRENT LARKAN	By: (Signed) TIMOTHY D. EVANS	By: (Signed) BRIAN D. MCCHESNEY

CANACCORD GENUITY CORP.	MACQUARIE PRIVATE WEALTH INC.	RAYMOND JAMES LTD.
By: (Signed) RON SEDRAN	By: (Signed) JAMES PRICE	By: (Signed) J. GRAHAM FELL

MARRET ASSET MANAGEMENT INC.